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How Freight Rates Should Be Made

By ROBERT W. WOOLLEY

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WHEN I appeared before the Interstate Commerce Committee of the United States Senate in January, 1919, and urged that the government retain control of the railroads taken over on December 28, 1917, for a definite period of five years following the proclamation of peace in order, among other things, that the method of fixing freight charges might be simplified and made uniform, or at least approximately so, the average professional traffic expert and conventionally-minded economist protested that I was a radical neophyte, an unsound experimentalist. This protest was echoed in the columns of the newspapers and of the periodical press generally.

There was never a more striking example of the fallibility of the human memory. Not only was I able to summon to my support in my condemnation of the existing so-called rate structure, the late Justice Harlan of the United States Supreme Court, Secretary Lane, formerly a member of the Interstate Commerce Commission, and the membership of the entire Interstate Commerce Commission as it was constituted in 1911, but I might have quoted in like vein from the testimony of a dozen or more traffic and shipping experts, and also not a few business men, who testified before the Cullom Committee in 1886, when the present Act to Regulate Commerce was being formulated. These witnesses strikingly set forth many cruel injustices wrought through freight rates as prescribed and manipulated by the carriers under state control or no control at all. Indeed, it could hardly be called a stretch of the imagination to say that the achievement of a simple and uniform method of freight rate making, fair to the weak and strong alike, was largely the underlying thought of the framers of this legislation. It was because of the gross inequalities everywhere evident, of high handed practices on the part of many of the carriers and favored shippers that the Act to Regulate Commerce became a national necessity. Yet Congress, with a maximum of caution, gave to the newly created Interstate Commerce Com-

mission a law to administer which, until 1906, restricted the Commission's power to censure and advise. The result was that no matter how militantly inclined, how public spirited the early members of the Commission might have been, their ability effectively to help the public was practically negligible. So dominant carriers on the one hand and powerful shippers on the other, through a series of actions before the Commission, wrought a firmer foundation for the rate specializations which had been the very object of attack and builded thereon a mountain of rate blankets, primary markets and other preferential situations which have been perpetuated, with the result that the freight rate today, instead of being fixed and administered in the interest of all for the unit of service rendered, is the very Gibraltar of monopoly. This may appear to the average reader or even the average economist to be an extreme statement, but I propose in this article to show that the freight rate, notwithstanding the administration of it under the Act to Regulate Commerce, is still in the hands of those who seek to equalize commercial conditions at the expense of the consuming public and I propose to state what I think is the way to right the wrong done. The freight rate as it is today is more potential than a protective tariff.

I quote from my supplementary statement of February 10, 1919, to the Senate Committee on Interstate Commerce as follows:

With reference to the recommendation, made by me, that the period of federal control be extended to five years following the date of the President's proclamation of peace, in order, among other reasons, that a standard rate structure based upon a uniform mileage rate plus terminal charges might be substituted for the numerous rate-making plans now in effect, I beg to say that the premises for the proposed rate structure lie within the political and economic principles upon which rest the commerce clauses of the Constitution, namely:

Art. 1, Sec. 8: "but all Duties, Imposts and Excises shall be uniform throughout the United States."

Sec. 9: "No Preference shall be given by any Regulation of Commerce or Revenue to the Ports of one State over those of another."

"No Tax or Duty shall be laid on Articles exported from any State."

Sec. 10: "Prohibiting any State from laying impost or duties on imports or exports."

The simple meaning of these tenets, which have withstood years of judicial interpretation, is that, in a natural sense, there shall be a freedom of commerce

between States, unhampered by artificial burdens which may bear heavily upon some localities and yield preferences to others. Natural advantages are left open alike to all, and they shall not be enlarged or diminished by artificial means. That is to say, New York City is justly entitled to retain its natural advantages; but that city should not be given still greater advantages by exemption from the burdens of commerce that fall upon other cities and states. Conversely, the geographical and commercial status of other cities should not, by a similar means, be equalized with those of New York. This doctrine, which applies between individuals as well as between localities, is clearly and nicely enunciated in *Interstate Commerce Commission v. Duffenbaugh*, 222 U. S., 42, 46, where Justice Holmes, speaking of the law in its generic sense, stated that it "does not attempt to equalize fortune, opportunities, or abilities." Unless the act to regulate commerce is construed and administered in conformity with these principles we are confronted with the anomaly of a special statute eating at the structure of the Constitution. That statute, however, was enacted to preserve these very principles; and it must be construed and administered as meaning that it is *not* the function of transportation agencies to "equalize fortune, opportunities, or abilities." Nevertheless, we find a modified doctrine at present running through the many reported decisions in rate complaints, namely, that rates cannot be based *alone* upon commercial considerations. When the application of this doctrine is analyzed we find that it sustains railroad practices of:

- (a) Grouping together, under a common rate, many cities within a radius of as much as 500 miles (yellow pine blanket) in order to equalize commercial advantages between such cities.
- (b) Charging lower rates to more distant points than to less distant intermediate points, intended to meet competition, but with the obvious effect of building up certain communities at the expense of others.
- (c) Absorbing terminal charges or giving free terminal services at some localities, and levying charges at others.

Points are grouped under common rates on grain, grain products, coal, oil, forest products, meats, cattle, sugar, minerals, packing house and dairy products, fruits, vegetables, and other staples; and the considerations controlling these groupings are largely to "equalize commercial conditions," rather than to permit, as should be the case, the greatest development of natural resources and the widest distribution of raw products and manufactured articles where needed.

Like a tax or duty the freight rate attaches to the article of commerce and ultimately is borne indirectly by the consumer in the retail purchase price. It is only one of the many items of expense that enter into the total cost of production, manufacture and sale. The vendor and shipper, under trade practices, often sell their goods at a delivered price, and when this is done we are led to believe that the vendor, and not the vendee, bears the freight. But this is not true, since in all such transactions the selling price is always more than the total expenses, including

freight charges, incurred by the vendor in producing, selling and delivering, the article. For example, the Chicago coal dealer may purchase coal from mine operators in the Pennsylvania coal producing sections at say \$10.00 per ton delivered. This price, of course, must be sufficiently high to compensate the mine operator for the cost to him, including freight charges at a rate of \$3.90 per ton, of laying the coal down in Chicago, plus a reasonable profit; and in turn the dealer must retail the coal at something more than \$10.00 if his carrying, selling and delivery costs are to be met and a fair profit earned. And clearly the result is no different if the dealer bought his coal f. o. b., the mine and himself paid the freight charges. The freight rate on coal is a substantial part of the retail selling price, amounting in some instances to more than 200 per cent where the haul from the mine to the market is long. But this by no means is the stopping place. The coal thus purchased may be used to generate steam in the warehouse and office buildings of a firm like Sears-Roebuck; thus the cost of producing this necessary heat, which includes the freight rate on the coal, is spread over and attaches to every article shipped from the mail order house, together with the freight charges that may have been paid on the materials entering into the manufacture of those articles. And even this is not all, since, in addition, the selling price must include the freight charges on the finished article.

Another illustration is the proportion of freight charges that is included in the price of iron and steel articles. The cost of producing a ton of pig iron at the furnace includes freight charges paid on the inbound raw materials, consisting of coal, ore and limestone. The freight rate on each of these is a substantial proportion of the selling price at the mines. Bars, billets and blooms are turned from the pig iron, and when these are shipped to a manufacturer additional freight charges are paid, which attach to the price of the finished article. When the finished articles are shipped forward to the wholesaler in carload lots a further freight charge is incurred, and this too attaches to the price of the article. Even here the end is not reached, since still a further transportation charge is encountered, which becomes a part of the selling price to the consumer, when the wholesaler distributes to the retailers in less than carload lots.

Fat cattle start on their journey from Texas to market. From the carcass at the slaughter house many products issue. Each product has attached to it a share of the transportation charge paid on the live cattle. The dressed beef ultimately finds its way to the domestic table, and the price paid includes not only the freight charges on the dressed beef, but also a part of the freight charges paid on the live cattle. The hide is shipped to the tannery, and thence goes forward to the shoe manufacturer in the form of leather. The price of the leather includes freight charges on the live cattle, the hide, the coal, bark, and other materials used at the tannery. Finally shoes are produced, and the price of these, aside from including the cost of their own transportation, includes in part the cost of transporting the live cattle, the hide, the coal, bark and other materials used at the tannery, and in addition the transportation charges on coal and other materials and supplies used in manufacturing the shoes.

These simple, and perhaps unnecessary, illustrations might be multiplied. Those presented, however, are sufficient to hold in view two fundamental facts: first, that the retail purchaser, or consumer, actually bears the full burden of transportation charges paid in the first instance by producers, manufacturers, and dealers, whom we shall call, collectively, the shipper; second, that this charge, even if fairly spread over the retail units, is an important factor in the prices paid for the necessities and comforts of life, and is thus impressed with a public interest far superior to the selfish interests of individual shippers.

But is there a fair spreading of this burden over the retail units? As will be seen from the foregoing illustrations, the retail prices of iron and steel articles are affected not alone by an increase in the transportation rates on those particular articles. They are affected as well by increases in the rates on coal, ore and limestone. The dealer in each of these materials increases his price at least to the extent of the measure of the increases in rates. The dealer in iron and steel articles does likewise. So that in the end, through a compounding process, a general increase in freight rates has a tendency, like the imposition of taxes, unduly to inflate retail prices. It affords an opportunity and excuse for the retailer to add arbitrary amounts to his prices, usually much greater than is justified by the increases in rates. This is often done,

Notwithstanding the fact that the consumer, and not the shipper, bears the transportation charges, we seldom hear of anyone except the shipper attacking a freight rate as too high, unduly prejudicial, or otherwise unlawful. The reason is not a mystery. The consumer does not pay the freight charges as such. They are hidden from his view in the retail prices, just as are the indirect taxes and duties levied upon articles of commerce. On the other hand, the freight rate is in clear view of the shipper. He pays the freight charges in the first instance, and even though he passes them along later in the price of his goods, he still is interested in their measure, since such charges constitute an expense that enlarges the ultimate selling price. That price must be kept within, if not below, the range of competitors' prices. A freight rate available to a shipper in one community higher than contemporaneously available to a competing shipper in another community, when both are seeking the same market, gives to one an advantage over the other in the cost of production, manufacture, or selling. Hence, each shipper is interested in securing a transportation rate as low as that available to his competitors, and if possible one that is still lower. If he has the lower rate his interest is to keep his competitor from getting one that is as low. The controlling considerations in such matters are the location of the shipper's business establishment in reference to the markets he seeks to enter and the location of his competitors. The volume of the freight rate, in cents per 100 pounds, increases with distances. It costs more to carry freight 500 miles than to carry it 100 miles and it is to be expected that the freight rate would be correspondingly more. By the measure of this difference, whatever it may be, the shipper at the point nearest to market has a trade advantage over his competitor at the more distant point; and the competitor at the more distant point, finding himself at a disadvantage, seeks to overcome it by having the railroads equalize the rates as between the two widely separated shipping points irrespective of the differences in distances and transportation costs. What they mean by equalization is in reality a discrimination, since it contemplates giving to some shippers a greater measure of service than is given to others for the same rate. In result it takes away from some shippers their natural advantages and gives artificial advantages to others.

Stated in another way, the shipper seems to proceed upon the theory that it is, and properly should be, the function of the carriers to bear the cost of eliminating commercial trade disadvantages of location. To some extent the carriers, in their pursuit of tonnage, and particularly where they are in competition with each other from a transportation standpoint, have encouraged this idea.

These artificial forces account in a large measure for the rather extended scheme of group rate making which at present prevails, examples of which are the so-called "yellow pine blanket" of the south; the "Texas common-point group," 500 miles long and 450 miles wide, before it was recently broken; the grouping of the blast furnaces in the Pittsburgh district; the grouping of coal mines in the several coal districts; the grouping of the apple, potato and grain growing sections; and many others that might be mentioned. The scheme contemplates that all points in each group, irrespective of distances and transportation costs, will have a common rate to each of the several markets, or, conversely, that all of the markets in a given group will have a common rate from each of the several shipping points. A point of importance to mark here, however, is that the real interest of the shipper is not in the measure of his rate in cents per 100 pounds, but in the relation of that rate to the rates available to his competitors. This is what he constantly fights for as distinguished from the more superior interest of the consumer in the volume of the charge. It is not exaggeration to say that more than 90 per cent of the complaints brought by shippers before rate regulating bodies rest upon dissatisfaction with the relation between rates rather than upon the measure of the rates. Illuminating examples are the *Intermountain Rate Cases*,¹ where Reno, Odgen, Spokane and other intermountain cities were seeking rates at least not higher than those contemporaneously applicable from the east to the more distant Pacific coast cities; the *Interior Iowa Cases*,² where the Iowa shippers sought a fair prorate of the rates between the Missouri River and points east of the Indiana-Illinois state line; the *Mississippi River Cases*,³ where the shippers

¹ 15 I. C. C. 376; 19 I. C. C. 162, 238, 257; 21 I. C. C. 329, 400; 23 I. C. C. 454, 456; 32 I. C. C. 611; 34 I. C. C. 13; 40 I. C. C. 35; 46 I. C. C. 236.

² 28 I. C. C. 64; 29 I. C. C. 536; 46 I. C. C. 39.

³ 28 I. C. C. 47; 29 I. C. C. 47; 46 I. C. C. 20.

located in the upper river cities asked to be placed upon a rate parity with the shippers in the lower river cities. Many other large cases of similar importance and thousands of smaller ones might be cited.

In attacking rates from this standpoint, under rate regulating statutes, a rather interesting field of occupation is provided for a group of persons that have become known as traffic experts. Usually they are graduates from the traffic departments of the railroads. They watch freight rate fluctuations like the broker watches the stock market, and largely by comparison of one rate or set of rates with another, find a basis for making a complaint. It is their business also to endeavor to secure advantages in freight rates over competitive shippers and communities wherever there is the remotest ground for urging that location, transportation conditions, or some other circumstance, will justify such an advantage. These experts are comparatively well paid and there are thousands of them at work throughout the country. In addition there is a group of lawyers who receive good fees in specializing in this practice. But the end is not yet. There are about 48 state railroad commissions or boards, also the Interstate Commerce Commission, each of which, apart from its own membership, employs a corps of trained experts who are constantly engaged in hearing the complaints brought by the traffic expert. Incident to such hearings, and in addition to the salary item, there is a substantial expenditure in the nature of traveling expenses, per diem, short-hand reporters and printing.

No statistics showing the aggregate amount expended annually by shippers, the states and the federal government, for rate regulation appear to have been compiled, but whatever the amount, at least in the millions, it falls indirectly upon the consumer in the retail prices he pays for living. The point for emphasis here is that in the process of regulation the rates go up or down as a result of orders entered by the regulating bodies in particular situations. And contemporaneously with the announcement of such orders hundreds of minds are comparing the rates so fixed with other rates to see if there is not some basis for attacking the rates in which they, or their clients, are interested. An order entered requiring the reduction in a particular rate, or a set of rates, may throw out of just relationship many other rates not

then before the regulating bodies for consideration. Thus it happens that from year to year there is a constant tinkering, largely in piece-meal fashion, with the many rate adjustments. The unintentional result is that rate regulation itself, in the form we have it, actually breeds complaints and indirectly lays a burdensome expense upon the consumer that is incurred, not for his benefit, but for the selfish interest of particular shippers.

There is still another angle to the situation. If a shipper who, in the price of his goods, has passed along to the public the freight charges he has paid in the first instance, is able to convince the rate regulating body that the freight rate he paid and passed along was unreasonable, he, *and not the consumer*, becomes entitled to an award of damages measured by the amount of the overpayment, and thus comes into possession of what in homely language we sometimes call "velvet." This "velvet" operates to reduce the carrier's net revenue, and if upon analysis it is found that the net revenue is inadequate an increase in rates is authorized. The increase is spread over many articles of commerce and a part of it is used to provide shippers with "velvet" whenever they are able to convince a rate regulating body that the rate they paid, *and passed along to the consumer*, was unreasonable. This may seem a peculiar law, but our highest tribunal has said that it is the law.⁴

We may now pass to the interest of the carrier, which clearly is to obtain through the assessment of rates a sufficient amount of gross income to pay all of its operating expenses, taxes, interest charges, and still have left a fair return upon the investment.⁵ The ratio of railroad operating expenses to gross revenue in the more normal period of years preceding federal control averaged approximately 70 *per cent*. It will thus be seen that the out-of-pocket cost to the carriers of performing the service eats up by far the greater part of the freight rate. Cost of conducting transportation, therefore, should be a controlling consideration in the fixing of freight rates.

Freight service is conducted largely in units of car-miles. That

⁴ *Southern Pac. Co. v. Darnell Taenzer Co.*, 245 U. S. 531.

⁵ Purposely there is left out of consideration the question of over-capitalization, returns on watered stocks, and kindred matters, since it is generally conceded that the return of the carriers should be calculated upon the actual money invested in the property.

is to say, the power and the cars are the movable facilities and the cost of moving them increases with distance. The average weight of the empty car hauled by the locomotive is little less than the average weight of the freight contained in the cars. Commodities which load heavy are, of course, exceptions. So that the major portion of the transportation cost is incurred in moving the car, and this cost is the same whether the car contains clothes pins, canned goods or automobile tires. The volume of weight in the car may place slight added burden upon the hauling power of the locomotive and to that extent the heavier load may be a little more expensive per car-mile to handle. Perishable commodities, which load light, and require special protection, are more costly to handle than non-perishable freight. And there are some other distinctions that might be made, such as the cost of transporting cattle. But as a whole the average cost per car-mile is the most reliable unit that can be used. At the terminals, in picking up and delivering loads, the car is the unit, irrespective of its contents. It costs no more to switch a carload of nails than it does to switch a carload of coal; nor does it cost any more to switch a carload of hardware than it does to switch a carload of lumber. Nevertheless, under the chaotic and unscientific system which has grown up, a relic of ages, we have thousands of different rates on different articles of commerce on which the transportation cost for a like measure of service is the same. The explanation is that the risk on the higher valued articles is greater, and that some articles can bear a higher transportation charge than others. In reality the risk is merely a matter of insurance premium, and who will suggest that on the classes of traffic moving in the greatest volume the insurance premium for the period of transportation, reduced to cents per hundred pounds, would appreciably enlarge the volume of the freight rate even to the extent of one cent a hundred pounds! The other explanation, that some articles can bear a higher transportation charge than others, suggests that the railroads are at liberty to disregard transportation costs and impose what in their judgment would be a fair transportation tax on certain articles of commerce, depending upon the value of the transportation to the dealer, the profit he makes, the necessity for transportation, and other strategical considerations that have no relation

to the cost of conducting the service. This, indeed, is a questionable policy, and one that certainly is not in the interest of the consumer who ultimately bears the freight charges.

To begin with, the rate structure rests upon three principal freight classifications. This is where the railroads begin to differentiate between the rates that are to be paid on the different articles of commerce, without reference to the fact that most of them are transported for a given distance at the same cost. In the western classification there are five numbered and five lettered classes; in the official classification six numbered classes, and in the southern classification six numbered and six lettered classes. But beyond being mere symbols for defined groups of articles these classification ratings have no meaning in so far as the level or the relationship of the rates are concerned. They do not mean, for example, that 2nd class, or any of the lower classes are fixed and definite percentages of 1st class. Selecting the class scales applicable west, north and south from Chicago, it will be found that the lower classes are related to 1st class by about as many different percentages as there are class scales. A more comprehensive idea of these classification ratings will be found in the recent *Consolidated Classification Case*, 54 I. C. C. 1. Apart from these ratings, however, there are hundreds of exceptions, commodity rates and special commodity rates, which were established under pressure of both transportation and commercial competition, and with little reference to transportation costs. Here again the railroads, whether intentionally or not, are indirectly engaged in creating artificial commercial advantages in the form of freight rates and in like form imposing unjust burdens and inequalities. These are the very evils that legislation providing for rate regulation intended to eliminate, but I venture the suggestion that they never will be eliminated until we have established a uniform rate structure universally applicable.

There should be a very clear understanding of what is meant by uniformity in rates. From many quarters there is indication that people have different ideas about it. Obviously it does not mean that shippers throughout the country should have a postage stamp freight rate; that is, the same rate in cents per hundred pounds on a given commodity irrespective of distance or the measure of service. This would not mean uniformity, but a

scheme under which the railroad freight rate would be used, *even more extensively than it now is*, as a means of interfering with natural opportunities in the sense that, *by operation of law*, artificial burdens would continue to be laid on some and artificial advantages given to others. Clearly this is antagonistic to and not the object of the law. The framers of our Constitution thoughtfully sought to avoid any such result. Taxes could not be levied in that way. No one familiar with our organic law would suggest imposing a tax or duty upon an article of commerce unless it was made universal and uniformly applicable both as to the measure of the tax rate and the commercial or trade unit to which that rate was intended to apply; it would be so much on a fixed unit of value, or so much on a fixed unit of quantity expressed in weight or measure. The tax is levied by the government; the freight rate by the railroads under government regulation. Both attach to the article of commerce as a part of the expense of production, manufacture, distribution and sale; both reach the consumer indirectly in the retail prices he pays for living; both affect the shipper the same way. Why then should not both be controlled by the same principle of law?

When we speak of uniformity in freight rates there should be in mind only that same uniformity which the law requires to be observed in the assessment of taxes; that is, for a fixed unit of service on a given commodity the rates should be universally the same. The service, as before stated, is performed in units of car-miles; hence the foundation for a uniform system of freight rates should be so many cents per car-mile, with a separate charge for terminal services. Additional charges should be made for special services, such as reconsignment, storage, transit privileges, loading and unloading carload freight, "trap" or "ferry" car services, drayage, lighterage, refrigeration, wharfage, and others of similar nature. Such an adjustment would do away with the discriminatory practices of absorbing switching charges for some shippers on given traffic at certain places and levying charges against others. Rates thus made would be *per se* free from unjust discrimination and undue preference. There would no longer be a question about rate relations between shippers and the numerous complaints that spring from such situations would cease. Instead there would enter that stability and cer-

tainty in rate making that the thoughtful business man has long been seeking. The annual expenditure for rate regulation would be very much less, since the rate expert's aid no longer would be needed. The only regulation which would then be necessary would be in the interest of the public as a whole (the consumer) and not as it is now, largely in the interest of the private shipper, from which the public gets little benefit. Such regulation would keep the rates at a proper level—the public would know how to figure them—and the dealer would not have as much opportunity unduly to inflate prices under the excuse that the freight rate compelled it. Although presumed to act in the public interest the rate regulating bodies, under our present system, seldom hear the public side of the rate question; they hear only the parties with a selfish interest, namely, the shipper and the carrier.

These suggestions doubtless will give rise to countless questions and a generous share of criticism. Space will not permit me here to answer many questions which readily may be anticipated. The critic will ask, how can coal pay the same rate per car-mile for 100 miles that it pays for 1000 miles, and the same question will arise in respect of hundreds of other commodities. We will be told that the inflexible car-mile rate, plus a terminal charge, will "bottle-up" certain producing sections, stop or diminish production, drive many long established enterprises out of business. In short, by some, particularly those less thoughtful or with a pronounced selfish viewpoint, the anticipated result will be pictured as a great calamity that would stop the wheels of industry. That such would not be the result I believe is susceptible of mathematical demonstration, and I invite those with any such view in mind to disprove it themselves by use of the pencil and paper. I shall be glad to assist them if that be necessary. And when they go to work on the problem let me suggest also that they keep in mind the extent to which each shipper, in meeting commercial trade competition, must himself, without the assistance of the railroads or the freight rate, bear or overcome in some form of ingenious economy, the disadvantages in cost of production, manufacture, sale, and distribution, that do not spring from the transportation problem. A few illustrations are sufficient. The wage scale, hours of labor and child labor laws, are not

uniform throughout the country. Adjoining fields of production and manufacture, in sharp competition, each must in some way take care of the differences in cost to them arising out of disadvantages in local labor situations.

The tax laws, police regulations, and property values are not the same in all states, some being less burdensome than others. The shipper who, in such particulars, is compelled to bear the heavier burden gets no help from the railroads or any other source, and unless he can economize in some other direction must take less net profit than his more fortunate competitor if he is to meet that competitor's prices. The off-track shippers in a single industrial center, competing with each other, must themselves take care of any difference in cost to them of trucking freight to and from the carrier's depot. One shipper may be three miles from the depot, and employ auto trucks, while his competitor may have a business establishment abutting the carrier's right of way. Would anyone suggest that it would be economically sound and in the interest of the public to adjust the freight rate so as to relieve the uptown shipper, three miles from the depot, of his auto truck expense so that he would be upon an equality with his competitor located adjacent to the carrier's right of way? I hardly think so. Nevertheless, this is exactly what the carriers do when they charge for a 1000-mile haul the same rate that they charge for a 700-mile haul. Think closely, too, of the idea behind this. It is to enable the competitors to meet each other's prices at the same cost to them; but also may it not, and does it not, permit them *to hold prices at a fixed level*, unaffected by competition? Are the carriers to continue helping the already crafty shipper in that direction?

The suggestion of uniformity in the form of a car-mile rate plus a terminal charge is merely the suggestion of a basic standard, and I have not undertaken here to enter upon a discussion of the detail and refinement incident to putting it into operation. Suffice to say that no practical difficulty stands in the way. With a basic standard once adopted, predicated upon the carload movement, it would be comparatively simple to work from it an acceptable uniform less-than-carload scale. The level of these scales would be fixed by the amount of gross revenue required by the carriers to yield a fair return upon their investment.